

WASHINGTON, DC – Congressman Joe Courtney today applauded the U.S. Department of Agriculture’s (USDA) announcement that it is continuing with the current definition of “rural” until at least March 27, 2013. The announcement means that Connecticut towns remain eligible for Rural Development programs and funding. These funds support essential public facilities and services such as water and sewer systems, housing, health clinics, emergency service facilities and electric and telephone service. The announcement also ensures that Connecticut home buyers maintain access to USDA rural housing direct and guaranteed loans.

In June of 2009, USDA’s office of Rural Development announced that it was reversing a policy that enabled certain New England communities to be eligible for USDA Rural Development funds even though they existed within towns that exceeded eligibility requirements. This policy, which had been in place for more than 40 years, recognized that there are separately-identifiable communities within towns in New England that should be treated as eligible entities for USDA Rural Development funds.

“Rural Development funds are absolutely critical to towns across Connecticut,” **said Congressman Courtney.**

“A Washington bureaucrat should not be tinkering with an effective program that has been vital to small towns throughout New England for more than 40 years. We successfully secured a short-term reprieve two years ago, and this decision buys homebuyers and Connecticut towns additional time. Still, it underscores yet again the urgency to finalize a Farm Bill – one of many things the Republican House failed to do before sending members home last week.”

“Over the past year we have seen a slow gradual improvement in the housing market,” **said Rachael Johnston, broker/owner, Johnston and Associates Real Estate.**

“In our region this rebound in activity is primarily comprised of first time homebuyers, most of which are utilizing programs provided by USDA to secure their mortgages. Maintaining the Rural Designation helps keep alive the American dream of home ownership.”

Maintaining access to federally-backed mortgage products like those administered by the U.S. Department of Agriculture is essential to our recovering housing market. These low-interest loans will continue to help stimulate the housing market in rural areas of Connecticut where access to affordable housing can be a serious challenge.

After the USDA’s 2009 decision, Congressman Courtney worked with Congresswoman Rosa DeLauro and then-Sen. Chris Dodd to secure language that protected Rural Development funding for eligible New England communities. Short-term relief secured, Congressman Courtney spearheaded a bipartisan 17-member letter requesting that USDA Sec. Tom Vilsack reverse the policy altogether. As a result of the letter, Sec. Vilsack reversed policy but a permanent fix will only be achieved through the Farm Bill, which will be crafted by the House Agriculture Committee, on which Courtney serves. Last year, Congressman Courtney also hosted a public forum at Eastern Connecticut State University for Connecticut residents to share their concerns directly. The forum brought together four USDA officials and 60 participants from across eastern Connecticut, including town administrators, farmers, and small business owners.

Failure to find a permanent fix would jeopardize long-existing funding that has been critical to towns across the state.

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